

Message Text

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ACTION EB-08

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NSAE-00 OIC-02 SIL-01 STR-07 TRSE-00 CEA-01 SS-15

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R 221727Z MAR 78

FM USMISSION GENEVA

TO SECSTATE WASHDC 7546

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY DAR ES SALAAM

AMEMBASSY JAKARTA

AMEMBASSY KUALA LUMPUR

AMEMBASSY LIMA

AMEMBASSY LONDON

AMEMBASSY NEW DELHI

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY ROME

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E.O. 11652: N/A

TAGS: UNCTAD, OCON

SUBJECT: UNCTAD: FIFTH MEETING OF AD HOC INTERGOVERN-
MENTAL COMMITTEE (AHIC) FOR THE IPC: DECISION
REGARDING JULY MEETING

REF: (A) GENEVA 4041, (B) GENEVA 4149, (C) GENEVA 4406

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1. MOST OF THE ATTENTION IN MEETING AND MOST OF TIME OF
THE CONTACT GROUP WAS SPENT IN TRYING TO AGREE ON A
DECISION REGARDING THE WORK OF THE AHIC AT ITS SIXTH
SESSION IN JULY. THE G-77, WITHOUT ANY FOREWARNING AND
WITHOUT THE SUPPORT OF THE UNCTAD SECRETARIAT, PRODUCED A
TEXT OF A DECISION WHICH IN EFFECT PUT THE AHIC INTO THE

ROLE OF AN OVERVIEW MECHANISM FOR THE IPC. THE TEXT OF THE INITIAL DRAFT AND THE FINAL DECISION (REFTELS A AND B) REFLECTED THE G-77 PLENARY STATEMENT INDICATING THAT THE G-77 INTENDS TO UNDERTAKE A FULL-SCALE REVIEW OF THE PROGRESS UNDER THE IPC AND THE STATUS OF EACH INDIVIDUAL COMMODITY AT THE JULY MEETING. THIS WOULD FORM THE BASIS OF THE REPORT THE AHIC MUST GIVE TO THE TDB SCHEDULED FOR AUGUST-SEPTEMBER.

2. WHILE IT WAS DIFFICULT TO JUDGE EXACTLY WHAT THE G-77 HAD IN MIND BECAUSE OF MANY CONFLICTING SIGNALS IN THE PRIVATE DISCUSSIONS IN THE CORRIDORS, THERE SEEM TO BE TWO GENERAL AREAS THEY WISH TO COVER. FIRST OF ALL, THE AHIC WOULD ADDRESS ITSELF TO A NUMBER OF GENERAL PROBLEMS WHICH THE G-77 FEELS ARE AN IMPEDIMENT TO PROGRESS IN THE IPC. BY IMPEDIMENT, THEY MEAN THAT CERTAIN DEVELOPED COUNTRIES HAVE NOT ACCEPTED A NUMBER OF BASIC PRINCIPLES OF THE IPC AND BY RAISING QUESTIONS WITH RESPECT TO THESE PRINCIPLES, ARE IMPEDING PROGRESS. THESE INCLUDE SUCH THINGS AS PRODUCT COVERAGE (I.E. WHETHER JUTE PRODUCTS, HARD FIBRE PRODUCTS AND COTTON YARNS WILL BE COVERED IN STABILIZATION AGREEMENTS COVERING RAW JUTE, RAW HARD FIBRES AND COTTON), WHETHER OR NOT INSTABILITY IS INDEED A PROBLEM FOR THE COMMODITY IN QUESTION, THE QUESTION OF SYNTHETICS AND HARMONIZATION AND THE POSSIBILITY OF PRODUCER-ONLY, REGIONAL ARRANGEMENTS.

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3. THE SECOND GENERAL AREA COVERS A VARIETY OF SPECIFIC ISSUES THAT MAY HAVE ARISEN IN EACH COMMODITY DISCUSSION. APPARENTLY THE G-77 HAS IN MIND AN EXAMINATION OF THE STATUS OF EACH COMMODITY, THE ISSUES PRESENTLY CONFRONTING EACH COMMODITY DISCUSSION AND WHAT ROLE THE AHIC COULD PLAY IN OVERCOMING THESE SPECIFIC PROBLEMS. GROUP B SPOKESMAN REPEATEDLY EMPHASIZED THAT GROUP B REFUSED TO BECOME ENGAGED IN COMMODITY-SPECIFIC DISCUSSIONS ON A GROUP BASIS AND WOULD NOT, EITHER AS CONSUMERS OR PRODUCERS, PARTICIPATE IN THE TYPE OF DISCUSSIONS G-77 APPEARED TO BE ENVISAGING. SOME ELEMENTS OF THE G-77, INCLUDING AMBASSADOR ALATAS, HOPE THIS PROCESS WILL LEAD TO A CATEGORIZATION OF COMMODITIES AND TO THE AHIC PROVIDING IMPETUS TO THE CALLING OF NEGOTIATING CONFERENCES FOR CERTAIN COMMODITIES, AMONG WHICH THEY LIST TEA, COPPER, JUTE AND HARD FIBRES.

4. THE DISCUSSIONS AND ANY POSSIBLE CONCLUSIONS WOULD BE BASED ON REPORTS BY THE CHAIRMAN OF EACH OF THE PREPARATORY MEETINGS AND THE SECRETARY GENERAL OF UNCTAD. THE INITIAL TEXT OF THE G-77 SUGGESTED THAT THE CHAIRMEN AND THE SECRETARY GENERAL SHOULD NOT ONLY PRESENT STATUS REPORTS

BUT SHOULD ALSO GIVE THEIR PERSONAL VIEWS AS TO THE UNRESOLVED ISSUES AND SUGGESTIONS AS TO HOW THEY THOUGHT THESE MIGHT BE OVERCOME. GROUP B REFUSED TO ACCEPT SUCH A ROLE FOR CHAIRMEN AND NOTED THAT THE SECRETARY GENERAL HIMSELF NORMALLY INCLUDES SUCH COMMENTS IN HIS REPORT.

5. COMMENT: AS THE ABOVE SUGGESTS, IT IS DIFFICULT TO PREDICT WHAT CAN BE EXPECTED AT THE JULY MEETING. AS SUGGESTED IN PARA 3, GROUP B WILL REFUSE TO ENGAGE IN A COMMODITY-BY-COMMODITY REVIEW, INSISTING (1) THAT THIS IS THE ROLE OF EACH INDIVIDUAL COMMODITY GROUP; (2) THAT IT IS IMPOSSIBLE FOR THE AHIC ITSELF TO RESOLVE INDIVIDUAL COMMODITY PROBLEMS, AND (3) THAT THESE ARE THE PROPER

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RESPONSIBILITY OF PRODUCERS AND CONSUMERS AND WE BY ALL MEANS WANT TO AVOID DISCUSSIONS BETWEEN GROUPS WHICH INCLUDE PRODUCERS AND CONSUMERS ON EACH SIDE. AS FOR THE GENERAL ISSUES, DEVELOPED COUNTRIES WOULD BE EXPECTED TO INSIST THAT DIFFICULTIES WITH SPECIFIC PROPOSALS IN INDIVIDUAL MEETINGS CANNOT BE GENERALIZED AS A FAILURE TO LIVE UP TO 93(IV) NOR CAN ANYTHING BE DONE IN THE AHIC TO LIMITED OFFICIAL USE

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CHANGE COUNTRIES' RESERVATIONS ON SUCH ISSUES AS HARMONIZATION. ON THE OTHER HAND, MOST COUNTRIES WOULD HAVE LITTLE DIFFICULTY WITH AN ACCELERATED BUT REASONABLE SCHEDULE OF MEETINGS ON SUCH COMMODITIES AS TEA, HARD FIBRES, TROPICAL TIMBER, JUTE AND COPPER WHERE FURTHER PROGRESS TOWARD SOME TYPE OF ARRANGEMENT APPEARS MORE LIKELY THAN IN OTHER CASES.

6. AS TO THE PREPARATION OF THE REPORT, GROUP B WILL CLEARLY BE FACED WITH A NUMBER OF DIFFICULTIES. DESPITE ALL THE RESERVATIONS MADE IN THE CONTACT GROUP DISCUSSIONS, THE G-77 MAY SEEK TO SPECIFY THE STATUS ON EACH COMMODITY AND PERHAPS SEEK TDB RESOLUTION OF A NUMBER OF ISSUES, PERHAPS EVEN INCLUDING THAT OF THE ROLE OF THE AHIC, I.E. IF GROUP B REFUSES TO DISCUSS CERTAIN PROBLEMS, G-77 MAY WISH TO HAVE THE TDB RE-DEFINE THE ROLE OF THE AHIC. FURTHER, THE G-77 WILL SEEK TO INSURE THAT THE AHIC CONDUCT ANOTHER REVIEW AT ITS DECEMBER MEETING FOR PRESENTATION TO THE SPECIAL MEETING OF THE TDB PRIOR TO UNCTAD V. IN SHORT, IT APPEARS THAT A NUMBER OF ELEMENTS IN THE G-77 AND, IN PARTICULAR AMBASSADOR ALATAS, WHO ARE FRUSTRATED OVER NUMEROUS FRUITLESS MEETINGS UNDER THE IPC WOULD LIKE TO SEE PRIORITY GIVEN TO SEVERAL COMMODITIES WHILE A FEW OTHERS (PHOSPHATES, IRON ORE, BAUXITE) ARE ELIMINATED FROM THE PROGRAM. BUT SINCE THEY HAVE DIFFICULTY GETTING AGREEMENT WITHIN THE G-77 TO ACHIEVE THIS, THEY HOPE TO ENLIST THE SUPPORT OF GROUP B AND PUT GROUP B INTO THE POSITION OF HELPING RESOLVE SOME OF THE INTERNAL G-77 DIFFERENCES.

7. IN THE VIEW OF MANY GROUP B DELS, THE JULY MEETING SHOULD BE PLAYED DOWN. ONE OF THE BEST WAYS TO INSURE THIS IS TO KEEP THE SIZE AND LEVEL OF DELEGATIONS TO CURRENT LEVELS SO AS NOT TO GIVE THE IMPRESSION TO THE G-77 THAT LIMITED OFFICIAL USE

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GROUP B HAS ACQUIESCED IN TURNING THE AHIC INTO A FULL-SCALE REVIEW BODY. SIMILARLY, GROUP B DELS FEEL WE SHOULD

NOT ENCOURAGE CHAIRMEN OF MEETINGS WHO ARE NOT ALREADY
STATIONED IN GENEVA TO COME TO GENEVA TO PRESENT A REPORT
SINCE THEIR PRESENCE COULD SERVE AS AN INDUCEMENT TO HOLD
FULL-SCALE REVIEWS ON EACH COMMODITY. (CURRENT BREAKDOWN
OF CHAIRMEN IS GROUP B - 7, G-77, 5 WITH 4 OF GROUP B AND
NONE OF G-77 BASED IN GENEVA). USDEL CONCURS IN THESE
VIEWS. END COMMENT. VANDEN HEUVEL

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